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ADMITTED TO PRACTICE IN:
ARIZONA, COLORADO, MONTANA,
NEVADA, TEXAS, WYOMING,
DISTRICT OF COLUMBIA

July 6, 2010

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Bowie Power Station, L.L.C.
Docket No. L-00000BB-01-0118
("Siting Case No. 118")

To Whom It May Concern:

Enclosed for filing in the above-referenced docket are the original and twenty-five (25) copies of a Request for Extension of Expiration Deadline(s) on behalf of Bowie Power Station, L.L.C.

Thank you in advance for your assistance. Please advise me if you have any questions.

Sincerely,

Lawrence V. Robertson, Jr.

Arizona Corporation Commission
DOCKETED

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF THE APPLICATION OF)	
BOWIE POWER STATION, L.L.C. IN)	
CONFORMANCE WITH REQUIREMENTS OF)	CASE NO. 118
ARIZONA REVISED STATUTES 40-360.03 AND)	
40-360.06 FOR TWO CERTIFICATES OF)	Docket No. L-00000BB-01-0118
ENVIRONMENTAL COMPATIBILITY)	(Decision No. 64625)
AUTHORIZING CONSTRUCTION OF A 1,000)	(POWER PLANT)
MEGAWATT NATURAL GAS-FIRED,)	
COMBINED-CYCLE POWER PLANT, 345 kV)	
AND 345 kV/230 kV SWITCHYARDS, 345 kV)	Docket No. L-00000BB-01-0118
AND 230 kV INTERCONNECTION AND)	(Decision No. 64626)
RELATED FACILITIES IN COCHISE AND)	(TRANSMISSION LINE)
GRAHAM COUNTIES, ARIZONA. THE)	
PROPOSED POWER STATION SITE IS)	
LOCATED IN SECTION 28 AND 29, TOWNSHIP)	REQUEST(S) FOR EXTENSION
12 SOUTH, RANGE 28 EAST, TOWNSHIP 11)	
SOUTH, RANGE 28 EAST TOWNSHIP 11)	OF EXPIRATION DEADLINE(S)
SOUTH, RANGE 27 EAST, AND TOWNSHIP 11)	
SOUTH, RANGE 26 EASTERN GILA AND SALT)	
RIVER BASE AND MERIDIAN.)	

I.

INTRODUCTION

Pursuant to (i) Condition No. 22 in the Certificate of Environmental Compatibility ("CEC") which was initially granted to Bowie Power Station L.L.C. ("Bowie") by the Arizona Power Plant and Transmission Line Siting Committee ("Siting Committee") on January 3, 2002, and thereafter granted as modified by the Commission on March 7, 2002 in Decision No. 64625, and (ii) Condition No. 10 in the CEC which was initially granted to Bowie by the Siting Committee on January 3, 2002, and thereafter granted as modified by the Commission on March

1 7, 2002 in Decision No. 64626, Bowie hereby requests that the current expiration date(s) in the
2 aforesaid CECs be further¹ extended to December 31, 2020 in each instance.

3
4 **II.**

5 **DISCUSSION**

6 **A. Circumstances Surrounding Issuance of Decision No. 69339.**

7 As previously noted, on February 20, 2007, the Commission issued Decision No. 69339
8 therein extending the initial expiration date(s) of the aforesaid two (2) CECs from March 7, 2007
9 to December 31, 2010. As of that juncture, Bowie was contemplating the possible filing of an
10 application to amend the CEC granted by Decision No. 64625, in order to construct the Bowie
11 Power Station using a different technology with a different generation output. However, Bowie
12 had not made a final decision of that nature, nor had it commenced construction on the currently
13 certificated power generation facilities. Against that background, Decision No. 69339 noted as
14 follows:

15 “. . . due to the fact that the Company has not made the decision to
16 completely abandon the construction of the plant approved in
17 Decision No. 64625, Staff recommends that the Company be
18 granted an extension of time to construct the 1,000 MW gas-fired
19 combined cycle plant. Since the construction of this plant has not
20 yet commenced and the Company has not yet filed its application
21 for a new CEC for the IGCC plant, Staff recommends that the
22 expiration date for CEC granted by Decision No. 64625 be
23 extended to December 31, 2010. This will allow the Company
24 sufficient time to either construct the 1,000 MW plant or process a
25 new CEC application for the 560 MW IGCC plant.” [Decision No.
26 69339 at page 4, lines 1-8]

27 Another reason the Commission’s Staff recommended extension of the CECs was the
28 “presumption of need” for the output of natural gas-fired generation facilities such as those
certificated for the Bowie Power Station.² That “need” was and continues to be evidenced in the
following manner: (i) the role that independent electric generating facilities can perform in
assisting incumbent Arizona electric utilities to satisfy forecasted load and reserve margin

¹ On February 20, 2007, the Commission issued Decision No. 69339 in the above-captioned and above-docketed proceeding by means of which the original expiration date for each of the aforesaid CECs was extended from March 7, 2007 to December 31, 2010.

² See discussion in Decision No. 69339 at page 4, line 12-page 5, line 3.

1 requirements; (ii) the role that such facilities can also perform towards satisfying a regional near-
2 term need in the Desert Southwest for access to new power generation resources, such as Bowie;
3 and, (iii) the limited number of generation projects of this nature which have been sited and
4 approved for construction.

5 **B. Relevant Events Subsequent to Issuance of Decision No. 69339.**

6 Subsequent to the issuance of Decision No. 69339, Bowie decided to continue with the
7 project's certificated design of a 1,000 MW natural gas-fired combined cycle electric generating
8 facility. In addition, during that same general time period, Bowie was able to negotiate initial
9 financing arrangements; and, in August 2008, Bowie commenced preliminary project
10 construction activities in the form of (i) establishment of a site construction office and site
11 security, (ii) clearing and grubbing of the 80-acre Power Block 1 area and (iii) dust and erosion
12 control activities (among others), as provided for in the Cochise County building permit issued
13 on July 15, 2008. Thereafter, the severe economic recession which descended upon the United
14 States in the Fall of 2008 descended upon the Bowie project as well.

15 More specifically, the recession was like an economic "force majeure" for Bowie in
16 terms of the resulting impact upon (i) Bowie's discussions with prospective purchasers of the
17 Bowie Power Station's output, and (ii) Bowie's project financing arrangements. Each literally
18 evaporated as the national economy and credit markets plunged into a period of uncertainty and
19 instability from which they are yet to emerge. As a consequence, it is impossible as of this
20 juncture to definitively predict when construction on the Bowie project will resume.

21 **C. Proposed Revised CEC Expiration Date(s).**

22 In view of the effect of the aforesaid economic "force majeure" on the load projections of
23 electric utilities which might be served by the Bowie Power Station, and the resulting current
24 uncertainty as to an "in-service" date for the project, Bowie hereby requests that the present CEC
25 expiration date(s) be extended from December 31, 2010 to December 31, 2020. Bowie believes
26 that an extension of this duration should allow for completion of the project, based upon
27 currently foreseeable circumstances.
28

1 **D. Proposed Revised CEC Expiration Condition(s) Language.**

2 In connection with the foregoing, Bowie requests that the following language be
3 substituted for the language of Condition No. 22, as set forth in the CEC granted by Decision No.
4 64625:

5 "This authorization to site and construct Bowie Project Generation
6 Facilities shall expire on December 31, 2020. However, before
7 such expiration, Applicant or any assignee of Applicant may
8 request that the Commission further extend this time limitation."

9 Bowie further requests that the following language be substituted for the language of Condition
10 No. 10, as set forth in the CEC granted by Decision No. 64626:

11 "This authorization to site and construct Bowie Project
12 Transmission Facilities shall expire on December 31, 2020.
13 However, before such expiration, Applicant or any assignee of
14 Applicant may request that the Commission further extend this
15 time limitation."

16 **III.**

17 **CONCLUSION**

18 For the reasons discussed above, Bowie requests that the Commission enter an
19 appropriate form of order or decision (i) extending the CEC expiration deadline(s) and (ii)
20 substituting the CEC condition(s) language as hereinabove requested.

21 Dated this 6th of July 2010.

22 Respectfully submitted,

23 

24 Lawrence V. Robertson, Jr.
25 Attorney for Bowie Power Station, L.L.C.

26 The original and twenty-five (25) copies of the
27 foregoing Request will be mailed for filing
28 this 9 day of July 2010 to:

Docket Control
Arizona Corporation Commission

LAWRENCE V. ROBERTSON, JR.
ATTORNEY AT LAW
P.O. Box 1448
Tubac, Arizona 85646
(520) 398-0411

1 1200 West Washington Street
2 Phoenix, Arizona 85007

3 A copy of the foregoing Request has been emailed
4 or mailed this 9 day of July 2010 to:

5 All parties of record
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1 1200 West Washington Street
2 Phoenix, Arizona 85007

3 A copy of the foregoing Request has been emailed
4 or mailed this 9 day of July 2010 to:

5 John Foreman, Chairman
6 Arizona Power Plant and Transmission Line Siting Committee
7 Office of the Attorney General
8 1275 W. Washington
9 Phoenix, AZ 85007

10 David Getts, General Manager
11 Southwestern Power Group II, LLC
12 3610 North 44th Street, Suite 250
13 Phoenix, Arizona 85018

14 Wayne Bryant
15 United Assoc. of Plumbers and Steamfitters Local 741
16 2475 East Water Street
17 Tucson, Arizona 85719-3455

18 Steve Olea, Director
19 Utilities Division
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007

23 Janice M. Alward, Chief Legal Counsel
24 Legal Division
25 Arizona Corporation Commission
26 1200 W Washington
27 Phoenix, AZ 85007-2927
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